

Registered number: 03592210

PIAS HOLDING (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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PIAS HOLDING (UK) LIMITED

COMPANY INFORMATION

Directors	K Gates N Hartley M Lambot
Company secretary	N Hartley
Registered number	03592210
Registered office	1 Bevington Path London SE1 3PW
Independent auditors	Nexia Smith & Williamson Chartered Accountants & Statutory Auditors Cumberland House 15-17 Cumberland Place Southampton Hampshire SO15 2BG
Bankers	Coutts & Co 440 Strand London WC2R 0QS

PIAS HOLDING (UK) LIMITED

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PIAS HOLDING (UK) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Introduction

The directors present the strategic report for PIAS Holding (UK) Limited for the year ended 31 December 2016.

Principal Activity

The principal activities of the Group during the year was that of a record label and a seller and distributor of compact discs, records and music in digital format to retail and wholesale outlets.

Business Review

PIAS Holdings (UK) Limited acts as a managing and parent company so it is expected to generate enough turnover from Group companies to cover its costs. It is primarily expected to provide a service to the Group companies and subsequently recharge its costs of doing so appropriately. The consolidated accounts represent the performance of the company and all of its subsidiaries.

Digital streaming continues to add growth across the business as services gain in audience and despite industry trends showing a decline in the physical market the continued popularity of vinyl has helped to limit the impact on turnover.

As PIAS's own repertoire continues to increase the core business grows and evolves to provide less reliance on third parties and promote more emphasis on developing own rights.

The consolidated profit is £2,122k (£1,275k profit in 2015), the increase primarily due to an increase in turnover driven by continued growth of digital streaming services and foreign exchange gains on trading. The gross profit has increased to £15,836k (£13,294k profit in 2015) due to an increase in turnover.

Total administration expenses have increased year-on-year to £9,918k (£7,590k in 2015) due to the gain made on foreign exchange and distribution expenses have decreased to £3,556k (2015: £4,384k) due to the decrease in physical sales.

The net current liability position has improved to £16,641k (£19,082k in 2015) and Net liabilities have reduced to £14,050k (£16,172k in 2015).

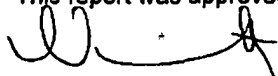
Principal Risks and Uncertainties

The Group's principal risks and uncertainties relate to the performance of its subsidiaries and wider international group's activities; the group operate primarily in the sale, distribution and exploitation of music.

Key Performance Indicators

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business, other than those disclosed above.

This report was approved by the board and signed on its behalf.



N Hartley
Director

Date: 26/9/17

PIAS HOLDING (UK) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £2,124k (2015 - £1,281k).

Directors

The directors who served during the year were:

K Gates
N Hartley
M Lambot

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PIAS HOLDING (UK) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Financial risk management

The Group's operations expose it to a variety of financial risks that include the effects of changes in price risk, liquidity risk and interest rate risk. Given the size of the Group, the policies set out by the directors are implemented by the Group's finance department.

Price risk

The Group is exposed to price risk due to normal inflationary increases in the purchase price of goods and services. The Group has no exposure to equity securities price risk as it holds no listed or other equity investments.

Liquidity risk

Liquidity risk is managed through forecasting the Group's future cash flow requirements and maintaining sufficient cash reserves at Group level.

Interest rate risk

The Group has both interest bearing assets and interest bearing liabilities. Interest bearing assets include only cash balances which earn interest at variable rates.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

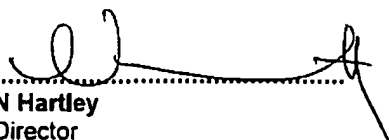
Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

The auditors, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


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N Hartley
Director

Date: 26/9/17

PIAS HOLDING (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PIAS HOLDING (UK) LIMITED

We have audited the financial statements of PIAS Holding (UK) Limited for the year ended 31 December 2016, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Statement of Changes in Equity and the related notes 1 to 29. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2016 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report and the Directors' Report.

PIAS HOLDING (UK) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PIAS HOLDING (UK) LIMITED
(CONTINUED)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Nexia Smith & Williamson

Andrew Edmonds (Senior Statutory Auditor)

for and on behalf of
Nexia Smith & Williamson

Chartered Accountants
Statutory Auditor

Cumberland House
15-17 Cumberland Place
Southampton
Hampshire
SO15 2BG

Date:

29th September 2017

PIAS HOLDING (UK) LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £000	As restated 2015 £000
Turnover	3	31,246	26,154
Cost of sales		(15,410)	(12,860)
Gross profit		15,836	13,294
Distribution costs		(3,556)	(4,384)
Administrative expenses		(9,918)	(7,590)
Operating profit	4	2,362	1,320
Interest receivable and similar income	8	3	3
Interest payable and expenses	9	(216)	(48)
Profit before taxation		2,149	1,275
Tax on profit	10	(27)	-
Profit for the year		2,122	1,275
Total comprehensive income for the year		2,122	1,275
Profit for the year attributable to:			
Non-controlling interests		(2)	(6)
Owners of the parent Company		2,124	1,281
		2,122	1,275
Total comprehensive income for the year attributable to:			
Non-controlling interest		(2)	(6)
Owners of the parent Company		2,124	1,281
		2,122	1,275

PIAS HOLDING (UK) LIMITED
REGISTERED NUMBER: 03592210

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £000	As restated 2015 £000
Fixed assets			
Intangible assets	11	1,529	1,928
Tangible assets	13	1,042	962
Investments	14	20	20
		<u>2,591</u>	<u>2,910</u>
Current assets			
Stocks	16	1,987	1,913
Debtors: amounts falling due within one year	17	168,783	127,743
Cash at bank and in hand	18	204	303
		<u>170,974</u>	<u>129,959</u>
Creditors: amounts falling due within one year	19	(187,615)	(149,041)
Net current liabilities		<u>(16,641)</u>	<u>(19,082)</u>
Total assets less current liabilities		<u>(14,050)</u>	<u>(16,172)</u>
Provisions for liabilities			
Net assets excluding pension asset		<u>(14,050)</u>	<u>(16,172)</u>
Net liabilities		<u>(14,050)</u>	<u>(16,172)</u>
Capital and reserves			
Called up share capital	21	2,500	2,500
Other reserves	22	17	17
Profit and loss account	22	(16,432)	(18,556)
Equity attributable to owners of the parent Company		<u>(13,915)</u>	<u>(16,039)</u>
Non-controlling interests		(135)	(133)
		<u>(14,050)</u>	<u>(16,172)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



N Hartley
Director

Date: 26/9/17

PIAS HOLDING (UK) LIMITED
REGISTERED NUMBER: 03592210

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £000	2015 £000
Fixed assets			
Tangible assets	13	1,041	952
Investments	14	309	159
		<u>1,350</u>	<u>1,111</u>
Current assets			
Debtors: amounts falling due within one year	17	15,748	15,449
Cash at bank and in hand	18	-	1
		<u>15,748</u>	<u>15,450</u>
Creditors: amounts falling due within one year	19	(25,881)	(24,317)
Net current liabilities		<u>(10,133)</u>	<u>(8,867)</u>
Total assets less current liabilities		<u>(8,783)</u>	<u>(7,756)</u>
Net assets excluding pension asset		<u>(8,783)</u>	<u>(7,756)</u>
Net liabilities		<u>(8,783)</u>	<u>(7,756)</u>
Capital and reserves			
Called up share capital	21	2,500	2,500
Profit and loss account	22	(11,283)	(10,256)
		<u>(8,783)</u>	<u>(7,756)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


N Hartley
 Director

Date: 26/9/17

PIAS HOLDING (UK) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Other reserves	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2016 as restated	2,500	17	(18,556)	(16,039)	(133)	(16,172)
Comprehensive income for the year						
Profit for the year	-	-	2,124	2,124	(2)	2,122
Other comprehensive income for the year						
	-	-	-	-	-	-
Total comprehensive income for the year						
	-	-	2,124	2,124	(2)	2,122
At 31 December 2016	2,500	17	(16,432)	(13,915)	(135)	(14,050)

PIAS HOLDING (UK) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up share capital	Other reserves	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2015	2,500	17	(19,837)	(17,320)	(127)	(17,447)
Comprehensive Income for the year						
Profit for the year as restated	-	-	1,281	1,281	(6)	1,275
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	1,281	1,281	(6)	1,275
At 31 December 2015 as restated	2,500	17	(18,556)	(16,039)	(133)	(16,172)

The notes on pages 13 to 36 form part of these financial statements.

PIAS HOLDING (UK) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2016	2,500	(10,256)	(7,756)
Comprehensive income for the year			
Loss for the year	-	(1,027)	(1,027)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(1,027)	(1,027)
	<hr/>	<hr/>	<hr/>
At 31 December 2016	2,500	(11,283)	(8,783)

PIAS HOLDING (UK) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2015	2,500	(11,063)	(8,563)
Comprehensive income for the year			
Profit for the year	-	807	807
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	807	807
	<hr/>	<hr/>	<hr/>
At 31 December 2015	2,500	(10,256)	(7,756)
	<hr/>	<hr/>	<hr/>

The notes on pages 13 to 36 form part of these financial statements.

PIAS HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

PIAS Holding (UK) Limited is a private limited Company, limited by shares, incorporated in England and Wales under the Companies Act 2016. The address of the registered office is 1 Bevington Path, London, SE1 3PW.

The financial statements have been prepared under the historical cost convention, in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The Company has taken advantage of the following exemptions available under FRS 102:

- the exemption from disclosing transactions with wholly owned members of the Group.

In relation to the following exemptions equivalent disclosures have been given in the consolidated financial statements of LGS 2 SPRL:

- the exemption from preparing a statement of cash flows;
- the exemption from disclosing key management personnel

1.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014.

Non controlling interest

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Non-controlling interests consist of the amount of those interests at the date of the original business combination and their share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the non-controlling interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

PIAS HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

1.3 Associates

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors' share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

Wall of Sound (Nordic) Limited remained dormant throughout the year.

The results of PIAS Productions Limited are immaterial after the Group has levied an appropriate management charge. Therefore they are not consolidated into these accounts.

1.4 Going concern

The Group has net current liabilities of £16,641k (2015: £19,852k) and net liabilities of £14,050k (2015: £16,172k) as at 31 December 2016 and has made a profit of £2,122k (2015: £1,275k). The Directors have prepared the financial statements on the going concern basis, which assumes that future incomes from artists will be sufficient to cover any advances to artists carried on the balance sheet.

The ability of the Group to continue as a going concern is dependent on the ultimate parent company, LGS 2 SPRL, not requiring repayment of intercompany funds. The Directors have obtained confirmation from LGS 2 SPRL that they will continue to support the Group through its existing facilities.

After considering the support available from LGS 2 SPRL, the Directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

PIAS HOLDING (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. Accounting policies (continued)

1.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

PIAS HOLDING (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. Accounting policies (continued)

1.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the profit or loss over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Record catalogue intangibles	-	% 5% - 10% straight line
Artists' rights	-	% 10% straight line
Goodwill	-	% 10% straight line

PIAS HOLDING (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. Accounting policies (continued)

1.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- 33% straight line.
Fixtures & fittings	- 10-50% straight line.
Office equipment	- 10-33% straight line.
Computer equipment	- 20-33% straight line.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit or loss.

1.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value and are shown net of provisions for slow moving and obsolete stocks. Costs include materials, costs of assembly, freight and duty costs. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion or disposal.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the profit or loss.

1.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

PIAS HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

1.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.12 Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at the initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short term bank deposits with original maturity of three months or less and bank overdrafts which are an integral part of the Group's cash management.

Derivative financial instruments are classified as other financial instruments. They are measured at fair value on initial recognition and at the end of each reporting period, which changes in fair value recognised in the profit or loss.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

1.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

PIAS HOLDING (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. Accounting policies (continued)

1.14 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

1.15 Finance costs

Finance costs are charged to the profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.16 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the lease term.

PIAS HOLDING (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. Accounting policies (continued)

1.17 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

1.18 Interest income

Interest income is recognised in the profit or loss using the effective interest method.

1.19 Borrowing costs

All borrowing costs are recognised in the profit or loss in the year in which they are incurred.

1.20 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

1.21 Artists' advances

Unrecouped artists' advances are deferred in the accounting period unless it is considered by the directors that all of the advance will not be recouped from royalties arising from future sales at the year end. Artists' advances are reduced as a minimum by the higher of the net balance recouped and 10% of the net brought forward deferred advances plus additional advances made during the year.

1.22 Royalties payable

Royalties payable are recognised in the same period as the income to which they relate.

1.23 Taxation

Tax is recognised in the profit or loss, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

PIAS HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are evaluated at each reporting date and are based on historical experience as adjusted for current market conditions and other factors. Management makes estimates and assumptions concerning the future in preparing the financial statements and the actual results will not always reflect the accounting estimates made. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Group and Company are outlined below.

Bad debt provision

The trade debtors balance recorded in the Group's and Company's balance sheet is reviewed for bad debts by management on a regular basis. Any bad debts discovered are provided for via a specific provision. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable. The total bad debt provision for the Group is £979k (2015: £983k). There is no bad debt provision in the Company accounts.

Group balances

Directors make an assessment at each period end as to the recoverability of intercompany debts. This judgement is made based upon objective evidence as to whether the debtor is able to repay the debt. The total Group provision for intercompany debts is £nil (2016: £nil). The Company's total provision for intercompany debts is £770k (2015: £770k)

Investments

Directors make an assessment at each period end as to the carrying value of investments in subsidiaries and associates, based on the realisable value of said investments. The carrying amount of the Group's investments at 31 December 2016 was £20k, and no impairment has been recognised against these investment balances in the year. The carrying amounts of the Company's investments at 31 December 2016 was £309k and no impairment has been recognised against these investment balances in the year.

Goodwill - Impairment

Key estimates and judgements are applied in establishing the recoverable amount of goodwill at each reporting date, for the purposes of impairment testing. The carrying amount of goodwill at 31 December 2016 was £1,309k after amortisation of £321k. No impairment has been recognised against goodwill balances.

PIAS HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

3. Turnover

An analysis of turnover by class of business is as follows:

	2016 £000	2015 £000
Physical	12,376	11,353
Digital	12,188	9,925
Other	6,682	4,876
	<u>31,246</u>	<u>26,154</u>

Analysis of turnover by country of destination:

	2016 £000	2015 £000
United Kingdom	18,903	15,395
Rest of Europe	10,711	8,691
Rest of the world	1,632	2,068
	<u>31,246</u>	<u>26,154</u>

4. Operating profit

The operating profit is stated after charging:

	2016 £000	2015 £000
Depreciation of tangible fixed assets	313	363
Amortisation of intangible assets, including goodwill	399	394
Exchange differences	(517)	(66)
Defined contribution pension cost	115	97
Operating lease payments	134	206
	<u>31,246</u>	<u>26,154</u>

5. Auditors' remuneration

	2016 £000	2015 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	<u>90</u>	<u>61</u>

Audit fees for the Company were £8k (2015: £7k)

PIAS HOLDING (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2016	2015
	£000	£000
Wages and salaries	4,357	4,279
Social security costs	438	441
Cost of defined contribution scheme	115	97
	4,910	4,817

The average monthly number of employees, including the directors, during the year was as follows:

	2016	2015
	No.	No.
Management	3	3
Operations and administration	111	130
	114	133

7. Directors' remuneration

	2016	2015
	£000	£000
Directors' emoluments	226	239
Company contributions to defined contribution pension schemes	25	16
	251	255

During the year retirement benefits were accruing to 1 director (2015 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £192k (2015 - £189k).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £25k (2015 - £16k).

PIAS HOLDING (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

8. Interest receivable

	2016 £000	2015 £000
Other interest receivable	3	3
	3	3

9. Interest payable and similar charges

	2016 £000	2015 £000
Bank interest payable	190	48
Loans from group undertakings	26	-
	216	48

10. Taxation

	2016 £000	2015 £000
Corporation tax		
Current tax on profits for the year	8	-
Adjustments in respect of previous periods	19	-
	27	-
Total current tax	27	-

PIAS HOLDING (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - *lower than*) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £000	2015 £000
Profit on ordinary activities before tax	2,149	1,275
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	430	102
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	58	82
Capital allowances for year in excess of depreciation	3	3
Utilisation of tax losses	-	(184)
Goodwill amortisation	29	-
Adjustments to tax charge in respect of prior periods	19	-
Short term timing difference leading to an increase (decrease) in taxation	(2)	(3)
Adjust closing deferred tax to average rate of 20.00%	553	-
Adjust opening deferred tax to average rate of 20.00%	(420)	-
Deferred tax not recognised	(643)	-
Total tax charge for the year	27	-

The Group had tax losses of £17,856k (2015: £17,856k) for offset against future taxable profit.

Factors that may affect future tax charges

The Finance Acts 2015 and 2016 provide that the main rate of corporation tax will fall to 19% with effect from 1 April 2017 and to 17% with effect from 1 April 2020. As this legislation has been substantively enacted at the balance sheet date the impact of the tax rate reductions on the deferred tax balances carried forward has been included in the accounts.

PIAS HOLDING (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. Intangible assets

Group and Company

	Record catalogue intangibles £000	Artists' rights £000	Goodwill £000	Total £000
Cost				
At 1 January 2016	59	418	3,073	3,550
At 31 December 2016	59	418	3,073	3,550
Amortisation				
At 1 January 2016	46	133	1,443	1,622
Charge for the year	5	73	321	399
At 31 December 2016	51	206	1,764	2,021
Net book value				
At 31 December 2016	8	212	1,309	1,529
At 31 December 2015	13	285	1,630	1,928

12. Parent Company Profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £1,027k (2015: profit £807k).

PIAS HOLDING (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

13. Tangible fixed assets

Group

	Motor vehicles £000	Fixtures & fittings £000	Office equipment £000	Computer equipment £000	Total £000
Cost					
At 1 January 2016	2	441	148	2,431	3,022
Additions	-	3	15	378	396
At 31 December 2016	2	444	163	2,809	3,418
Depreciation					
At 1 January 2016	1	193	117	1,749	2,060
Charge for the year on owned assets	1	48	11	255	315
At 31 December 2016	2	241	128	2,004	2,375
Net book value					
At 31 December 2016	-	203	35	805	1,043
At 31 December 2015	1	248	31	682	962

PIAS HOLDING (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

13. Tangible fixed assets (continued)

Company

	Fixtures & fittings £000	Office equipment £000	Computer equipment £000	Total £000
Cost				
At 1 January 2016	441	110	2,420	2,971
Additions	3	15	378	396
At 31 December 2016	<u>444</u>	<u>125</u>	<u>2,798</u>	<u>3,367</u>
Depreciation				
At 1 January 2016	193	79	1,747	2,019
Charge for the year on owned assets	48	10	249	307
At 31 December 2016	<u>241</u>	<u>89</u>	<u>1,996</u>	<u>2,326</u>
Net book value				
At 31 December 2016	<u>203</u>	<u>36</u>	<u>802</u>	<u>1,041</u>
At 31 December 2015	<u>248</u>	<u>31</u>	<u>673</u>	<u>952</u>

PIAS HOLDING (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

14. Fixed asset investments

Group

	Investments in associates £000
Cost	
At 1 January 2016	20
At 31 December 2016	<u>20</u>
Net book value	
At 31 December 2016	<u><u>20</u></u>

Company

	Investments in subsidiary companies £000	Investments in associates £000	Total £000
Cost			
At 1 January 2016	139	20	159
Additions	150	-	150
At 31 December 2016	<u>289</u>	<u>20</u>	<u>309</u>
Net book value			
At 31 December 2016	<u><u>289</u></u>	<u><u>20</u></u>	<u><u>309</u></u>

PIAS HOLDING (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

15. Subsidiary undertakings and Associates

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Holding	Principal activity
Fat Cat Records Limited	United Kingdom	50 %	Record label
PIAS Cooperative Limited	United Kingdom	100 %	Dormant
PIAS Recordings UK Limited	United Kingdom	100 %	Record company Sale and distribution of music
PIAS UK Limited	United Kingdom	100 %	
PIAS/Wall of Sound Limited	United Kingdom	100 %	Record label
Indie Mobile Limited	United Kingdom	100 %	Dormant
Harmonia Mundi (UK) Limited	United Kingdom	100 %	Dormant

The following were associates during the year

Name	Country of incorporation	Holding	Principal activity
Wall of Sound (Nordic) Limited	United Kingdom	5 %	Dormant Physical music production
PIAS Productions Limited	United Kingdom	50 %	

The registered office of Fat Cat Records Limited, PIAS Cooperative Limited, PIAS Recordings UK Limited, PIAS UK Limited, PIAS/Wall of Sound Limited, Indie Mobile Limited, Harmonia Mundi (UK) Limited, Wall of Sound (Nordic) Limited is 1 Bevington Path, London, SE1 3PW.

The registered office of PIAS Productions Limited is Lynwood House, 373/375 Station Road, Harrow, Middlesex, HA1 2AW.

PIAS HOLDING (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

16. Stocks

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Finished goods and goods for resale	1,987	1,913	-	-
	<u>1,987</u>	<u>1,913</u>	<u>-</u>	<u>-</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

The Group recognised £224k (2015: £286k) of inventory in cost of sales during the year.

The stock balance is shown after impairment provision of £555k (2015: £650k). The Group held consignment stock of £3,900k (2015: £3,366k).

17. Debtors

	Group 2016 £000	Group As restated 2015 £000	Company 2016 £000	Company 2015 £000
Trade debtors	8,223	7,374	-	-
Amounts owed by group undertakings	146,897	108,483	15,199	15,036
Other debtors	9,819	8,889	14	48
Prepayments and accrued income	3,844	2,997	535	365
	<u>168,783</u>	<u>127,743</u>	<u>15,748</u>	<u>15,449</u>

18. Cash and cash equivalents

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Cash at bank and in hand	204	303	-	1
Less: bank overdrafts	(1,304)	(1,464)	-	-
	<u>(1,100)</u>	<u>(1,161)</u>	<u>-</u>	<u>1</u>

PIAS HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

19. Creditors: Amounts falling due within one year

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Bank overdrafts	1,304	1,464	-	-
Trade creditors	12,556	10,069	-	-
Amounts owed to group undertakings	162,058	125,477	25,727	24,104
Corporation tax	2	2	2	2
Other taxation and social security	369	1,860	-	69
Other creditors	2,135	2,116	-	-
Accruals and deferred income	9,191	8,053	152	142
	<u>187,615</u>	<u>149,041</u>	<u>25,881</u>	<u>24,317</u>

The bank overdraft in PIAS UK Limited is secured by the following:

- Mortgage debenture in bank's standard form dated 16 April 2002.
- Guarantee in the bank's standard form limited to £1,000,000 by PIAS Holding (UK) Limited dated 15 January 2003.
- Cross composite guarantee in the bank's standard form dated 18 June 2013 with PIAS Digital Limited.
- Postponement of members' loans totaling £1,000,000 dated 3 May 2002.

The bank liabilities relating to these guarantees as at 31 December 2016 amounted to £1,304k.

PIAS HOLDING (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

20. Financial instruments

	Group	<i>Group As restated</i>	Company	<i>Company</i>
	2016	2015	2016	2015
	£000	£000	£000	£000
Financial assets				
Cash and cash equivalents	204	303	-	1
Financial assets that are debt instruments measured at amortised cost	168,144	127,226	15,538	15,450
	<u>168,348</u>	<u>127,529</u>	<u>15,538</u>	<u>15,451</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(183,239)	(149,040)	(25,879)	(24,316)
	<u>(183,239)</u>	<u>(149,040)</u>	<u>(25,879)</u>	<u>(24,316)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors, accrued income and intercompany balances

Financial liabilities measured at amortised cost comprise trade and other creditors, accruals, bank overdrafts and group balances

21. Share capital

	2016	2015
	£000	£000
Shares classified as equity		
Allotted, called up and fully paid		
2,500,286 Ordinary shares of £1 each	<u>2,500</u>	<u>2,500</u>

22. Reserves

Other reserves

This reserve relates to the merger reserve. The merger reserve is the difference between the nominal and fair value on shares acquired on initial recognition of the business combination.

Profit & loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

PIAS HOLDING (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

23. Prior year adjustment

The directors identified two misstatements in the prior year consolidated financial statements

The first was a misstatement in the prior year Consolidated Statement of Comprehensive Income. The consolidation adjustment for Intercompany trading was processed on a gross, rather than net, basis which is incorrect given PIAS UK recognise income on an agent basis.

The adjustment was to increase turnover and administrative expenses by £3,878k and therefore there was no effect on profit arising from this adjustment.

The second misstatement is due to the consolidated adjustment to remove intercompany debtor provisions being incomplete. The adjustment was to increase the intercompany debtor balance and reduce administrative expenses by £770k. This adjustment therefore increased profit.

24. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £115k (2015 - £93k). No contributions were outstanding at the balance sheet date.

25. Minority Interests

This represents the minority interest in Fat Cat Records Limited.

26. Commitments under operating leases

At 31 December 2016 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £000	<i>Group 2015 £000</i>
Not later than 1 year	302	<i>190</i>
Later than 1 year and not later than 5 years	1,260	<i>59</i>
	<u>1,562</u>	<i><u>249</u></i>

27. Contingent liabilities

PIAS Holdings (UK) Limited has entered into a cross guarantee with PIAS UK Limited and Coutts & Co up to the value of £1,000,000. PIAS UK Limited's bank borrowing amounted to £1,304k (2015: £1,464k) at 31 December 2016. The guarantee is dated 15 January 2003.

PIAS HOLDING (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

28. Related party transactions

Company

The company has taken advantage of the exemption in FRS 102 section 33 from the requirement to disclose transactions with the parent company and fellow wholly owned group companies.

Group companies that do not fall under the exemption are disclosed as follows:

	Sub Notes	2016 £000	2015 £000
FAT CAT Records Limited	1	233	255
PIAS DIGITAL Limited	1	2,182	1,193
PIAS FRANCE	2	556	477
PIAS PRODUCTIONS Limited	1	6	-
Income/(expense)			
PIAS DIGITAL Limited	1	655	400
Transfers			
PIAS DIGITAL Limited	1	(334)	-
FAT CAT Records Limited	1	6	-
PIAS PRODUCTIONS Limited	1	(6)	-

Sub notes

1) PIAS Digital Limited, PIAS Productions Limited and Fat Cat Records Limited are fellow group companies in the UK.

2) These entities are fellow group companies operating overseas.

3) £104k of the £233k debtor balance of Fat Cat is included within the provision of intercompany bad debts.

PIAS Holding (UK) Limited was charged £26k (2015: £29k) by The Official UK Charts Company Limited, a company in which N Hartley is a director, in respect of subscriptions.

At the year end there was a balance of £nil (2015: £39k) owing from the directors of the company.

PIAS HOLDING (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Group

		2016	2015
	Sub Notes	£000	£000
PIAS DIGITAL Limited	1	(36,769,203)	(20,961,101)
PIAS FRANCE	2	9,136,069	4,278,255
PIAS PRODUCTIONS Limited	1	(649,014)	(800,444)
WALL OF SOUND (Nordic) Limited	1	(80,314)	(80,314)
F COMMUNICATIONS	2	(61,532)	(41,490)
PIAS ROUGH TRADE	2	2,197,395	1,106,080
LGS 2 SPRL	2	(3,268,035)	(1,667,276)
Income/(expense)			
PIAS DIGITAL Limited	1	12,034,916	9,743,820
PIAS FRANCE	2	5,315,554	3,024,812
F COMMUNICATIONS	2	(20,042)	(9,830)
PIAS ROUGH TRADE	2	1,091,315	710,431
LGS 2 SPRL	2	-	(15,724)
Transfers			
PIAS DIGITAL Limited	1	27,843,018	-
PIAS FRANCE	2	460,420	-
PIAS PRODUCTIONS Limited	1	(151,430)	-
LGS 2 SPRL	2	1,600,759	-

Sub notes

1) PIAS Digital Limited, PIAS Productions Limited and Wall of Sound (Nordic) Limited are fellow group companies in the UK.

2) These entities are fellow group companies operating overseas.

The Group was charged £26k (2015: £29k) by The Official UK Charts Company Limited, a company in which N Hartley is a director, in respect of subscriptions.

At the year end there was a balance of £nil (2015: £39k) owing from the directors of the Group.

29. Ultimate parent company

PIAS Group SPRL, domiciled in Belgium, is the immediate parent company.

LGS 2 SPRL is the ultimate parent company and is domiciled in Belgium. Copies of the group financial statements can be obtained from 36-38, Rue St Laurent 1000 Brussels, Belgium.